Form (2)
Sr. No. 2597?
Dated 22.11.2000

The Myanmar Investment Commission

PERMIT

Permit No. 350/2000 Date 22nd NOVEMBER 2000

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. KWANG OU, LEE

(b) Citizenship KOREAN

(c) Address KYUNYOUNG APARTMENT 101-505, 72-3, MOON-JUNG DONG, SONGPA-GU, SEOUL, KOREA

(d) Name and address of principal organization GLOWIN CO., LTD., GLOWIN B/D 338-18, YANGJAE-DONG SECHO-KU, SEOUL, KOREA

(e) Place of incorporation 481 DAEJUNG-LI SAMSUNG-MEON EUMSUNG-GUN, CHUNGCHONGBUK-DO, KOREA

(f) Type of business in which investment is to be made PRODUCTION OF PADDING, QUILTING & EMBROIDERY(FOR GARMENTS, SLEEPING BAG, COMFORTER, BAG, TENT, CLOTHES)

(g) Place (s) at which investment is permitted LOT NO. 19, SHWE PYI THAR INDUSTRIAL ZONE, SHWE PYI THAR TOWNSHIP, YANGON.

(h) Amount of foreign capital US$ 4.50 MILLION(EQUITY US$ 2.02 MILLION & LOAN US$ 2.48 MILLION)

(i) Period for bringing in foreign capital WITHIN ONE YEAR AFTER ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 4.50 MILLION

(k) Permitted duration of investment 20 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR GLOWIN CO., LTD.

U Thaung

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၁၀/၂၀၀၀

၂၀၀၀ ခုနှစ်၊ နိုဝင်ဘာလ ၂၂ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. KWANG OU, LEE

(ခ) မည်သည့်နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ KYUNYOUNG APARTMENT 101-505, 72-3, MOON-JUNG DONG, SONGPA-GU, SEOUL, KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ GLOWIN CO., LTD. GLOWIN B/D 338-18, YANGJAE-DONG SECHO-KU, SEOUL, KOREA

(င) ဖွဲ့စည်းရာအရပ် 481 DAEJUNG-LI SAMSUNG-MEON EUMSUNG-GUN, CHUNGCHONGBUK-DO, KOREA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား အထည်ချုပ်လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် (၁၉)၊ ရွှေပြည်သာ ၁ စက်မှုဇုန်၊ ရွှေပြည်သာမြို့နယ်၊ ရန်ကုန်တိုင်း

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၄.၅၀ သန်း (ကိုယ်ပိုင်မတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၂.၀၂ သန်းနှင့် ချေးငွေအမေရိကန်ဒေါ်လာ ၂.၄၈ သန်း)

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရရှိပြီး သုံးနှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၄.၅၀ သန်း နှင့်ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၂၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR GLOWIN CO., LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/505/2000(2597)
Dated : 22nd November 2000.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Production of Padding, Quilting & Embroidery (for Garments, Sleeping Bag, Comforter, Bag, Tent, Clothes)" under the name of "Myanmar Glowin Co., Ltd.".

Reference: Ministry of Construction Letter No. 70/Khwe 3/2000(C 7120) dated 18-8-2000.

1. The Myanmar Investment Commission, at its meeting 33/2000 held on 2-10-2000 had reviewed the proposal for investment in "Production of Padding, Quilting & Embroidery (for Garments, Sleeping Bag, Comforter, Bag, Tent, Clothes)" under the name of "Myanmar Glowin Co., Ltd." submitted by Glowin Co., Ltd of Korea as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 42/2000 held on 9-11-2000 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 20(Twenty) years from the date of signing the Lease Agreement and extendible for another 2(Two) terms of 5(Five) years each upon mutual agreement between the Department of Human Settlement and Housing Development and Myanmar Glowin Co., Ltd. At the end of the Leased period, Myanmar Glowin Co., Ltd shall transfer the leased land and immovable properties including buildings without any consideration to the Department of Human Settlement and Housing Development within 3(Three) months in good condition, ground damages having been refilled or repaired.

4. The annual rent shall be calculated at the rate of US$ 3.0(United States Dollars Three Only) per square meter per annum on the leased land area of 3.5 acres(14176 square meter) to the amount of US$ 42528 (United States Dollars FortyTwo Thousand Five Hundred and Twenty Eight Only). The rent shall be revised in view of prevailing annual rent after every 5(Five) years period and the rate of increase in the rent shall not be more than 15(Fifteen) percent of the preceding annual rent.

5. Myanmar Glowin Co., Ltd. shall provide a Performance Bank Guarantee to the amount of US$ 135,000 (United States Dollars One Hundred and Thirty Five Thousand Only) in favour of the Department of Human Settlement and Housing Development within 30(Thirty) days after signing of the Lease Agreement.

6. Myanmar Glowin Co., Ltd. shall pay for maintenance of the Industrial Zone management fee as prescribed by the Management Committee of the Industrial Zone.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs :

(a) As per Section-21(a), exemption from income-tax up to 36(Thirty Six)months starting from the month of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made. Myanmar Glowin Co., Ltd. shall apply for such exemption only after 3-years tax holiday period.

(c) As per Section-21(c), Myanmar Glowin Co., Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Glowin Co., Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-years tax holiday period.

(e) As per Section-21(e), Myanmar Glowin Co., Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar Glowin Co., Ltd. shall apply, upon actual performance of such research and development programme, only after 3-years tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Glowin Co., Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in acoordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

8. Myanmar Glowin Co., Ltd. shall have to sign the One Hundred Percent Foreign Investment Contract and the Lease Agreement with the Department of Human Settlement and Housing Development. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Glowin Co., Ltd. in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Glowin Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. Myanmar Glowin Co., Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar Glowin Co., Ltd. shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

14. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

15. Whenever Myanmar Glowin Co., Ltd. brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na Ya-9/101/92(416) dated 3-12-92 [Annexure(1)].

17. Myanmar Glowin Co., Ltd. shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Myanmar Glowin Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Myanmar Glowin Co., Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94(0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-years operation period.

20. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Glowin Co., Ltd..

21. Myanmar Glowin Co., Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

U Thaung

(U Thaung)
Chairman

Mr. Kwang Ou, Lee
Glowin Co., Ltd.

c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank

21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)